

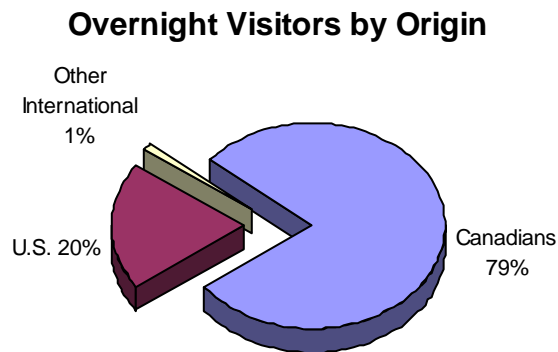
TOURISM SECTOR



Northern Ontario's tourism sector has potential to increase its share of both the domestic and global tourism market. Eco-tourism, adventure travel and Aboriginal tourism are key growth areas in the North that will complement the North's resource-based tourism products.

Profile

Tourism is a significant component of Northern Ontario's economy. In 2004, 9.8 million visitors to Northern Ontario accounted for \$1.7 billion in visitor expenditures in the tourism industry. Canada is Northern Ontario's largest tourism market accounting for close to 80 percent of visitors to the region. Twenty percent of visitors to the North are from the United States. American visitors are primarily from the Great Lakes border states. One percent of visitors are from other international countries.



Source: Canadian & International Travel Surveys, Statistics Canada, 2004

In 2004, the Northern Ontario tourism industry sustained close to 17,000 direct jobs and over 3,900 indirect and induced jobs, generating close to \$600 million in labour income.

Northern Ontario supports almost 12,000 (about 7%) of the approximately 161,800 tourism-related establishments in the Province; the majority are retail business (42%) but others include food and beverage (18%), accommodation (13%), recreation and entertainment, transportation and travel-related businesses.

Source: FedNor (2006), *Marketing Tools for Marketing & Planning: Tourism Volume, Value & Characteristics in Northern Ontario*. Prepared by: Research Resolutions & Consulting Ltd.

Of the over 37 million overnight visits in Ontario in 2004, approximately 5.7 million (13.3 percent) were to Northern Ontario. Of the main purposes cited for these visits:

- 53 percent were made for pleasure purposes;
- 30 percent were to visit friends and relatives;
- 8 percent were for business; and
- 9 percent were for personal or other purposes.

Northern Ontario attracts 20 percent of Canadian outdoor enthusiasts who travel within Ontario. Hunting and fishing account for 3.8 million overnight person visits to Ontario with close to 40 percent of these visitors coming to Northern Ontario. American visitors are twice as likely to visit to hunt or fish (46 percent) than Canadian visitors (22 percent). The ratio of anglers to hunters is 9 to 1 among Canadian visitors to the North.

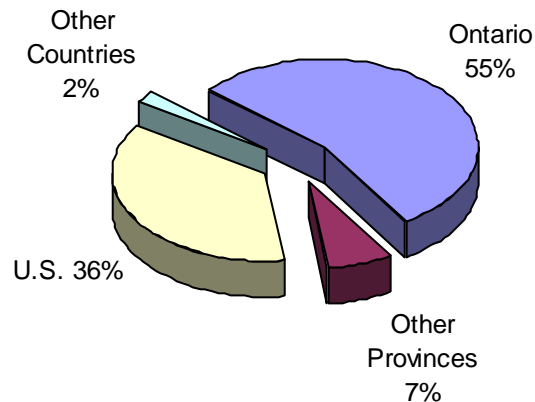
Overnight Person Visits by Main Purpose and Place of Residence, 2004

Main purpose of trip ('000s):	Place of Residence		
	Canada	USA	Other
Overnight pleasure	2,101	904	25
Overnight VFR	1,617	89	26
Overnight business	395	20	4

Source: Canadian and International Travel Surveys, Statistics Canada, 2004

In 2004, same-day and overnight visitors spent over \$1.7 billion on tourism-related expenditures in the North, including lodging, food and beverages, transportation, entertainment, and retail. Visitors from within Ontario accounted for over 50% of all tourism related expenditures, and the U.S. accounted for 36%.

Visitor Expenditures in Northern Ontario by Origin



The tourism industry in Ontario is affected by global tourism patterns, the value of the Canadian dollar, high gas prices, uncertainty by travellers about passport requirements, changing trends in consumer travel, and trip planning behaviours (e.g. use of on-line research and bookings).

Global tourism has increased dramatically. The United Nations World Tourism Organization reported an average annual growth rate in global tourism of 6.5 per cent between 1950 and 2005. Competition, however, has also increased and Ontario must now compete with many exotic global destinations. In 1950, the top 15 travel destinations attracted 88 percent of international arrivals; in 2005, the top 15 destinations attracted only 57 per cent of these travellers.

Source: United Nations World Tourism Organization *Tourism 2020 Vision*

Increased global competition and the strong Canadian dollar has shifted focus from price competition to the quality and uniqueness of the Northern Ontario experience. Increased marketing, communications and product development will help emphasize this focus and mitigate the effects of high gas prices and the uncertainty about passport requirements.

Resource-based tourism is a key segment of the North's tourism industry. It refers to tourist activities that make use of Crown natural resources in Ontario. It includes a wide variety of outdoor activities ranging from the traditional hunting and fishing to wildlife viewing to rock climbing.

Quality of fishing and hunting is the most common reason for resource-based travel followed by tranquillity and solitude. The Northwest region attracts 65 percent of resource-based visitors to the North; the Northeast, 25 percent; and the Manitoulin/Parry Sound region, 10 percent. Resource-based tourists generally visit for about a week with six of the nights being in the location. This group generally tends to have return travel to the same area.

Opportunities

With 145 provincial parks, vast tracts of pristine wilderness, thousands of lakes and a rich diversified landscape, Northern Ontario is superbly positioned to take advantage of the growing market in outdoor recreation and tourism experiences. Global forecasts indicate that travelers are seeking vacations that bring them closer to nature and the outdoors.

Resource-based tourism diversification opportunities can be identified by analysing local resource advantages such as fish and wildlife populations; navigable lakes and waterways; trails and public facilities; archaeological and cultural attractions; unique vegetation and ecological features; and wilderness characteristics. Potential product packages can be developed based on these resource advantages (e.g. catch and release fishing, wildlife viewing, water adventures).

Unsurpassed Natural Surroundings

Outdoor activities are the “hook” that bring visitors to the region and the North has the natural environment to build upon a wealth of outdoor activities: hiking, bicycle tours, horseback riding, golfing, bird/animal watching, nature photography, scuba diving, kayaking, canoeing, sailing, back country camping, ice skating, ice climbing, snowmobiling, skiing (downhill and cross country), snow boarding, tobogganing and dog sledding in addition to the traditionally strong draws of hunting and fishing.

Well-maintained trails provide the infrastructure required for many of these activities. Many northern communities have trails that serve local needs, which could be upgraded to attract tourists or to accommodate larger events. Current trends in eco-tourism, heritage/cultural tourism and adventure tourism emphasize the importance of Northern Ontario securing a presence in trail development opportunities that will accommodate the demand for accessing parks, protected areas, cultural resources and wildlife viewing.

Cultural and heritage attractions

Outdoor activities could be augmented with attractions focused on cultural or heritage experiences, arts and crafts, antiques, casinos, festivals, galleries and museums. These experiences provide a valuable way to enhance a visit to the region and may serve as an alternative to outdoor activities. Development of this “dual track” (culture/heritage and the outdoors) experience is a key strategy for northern communities interested in building a stronger tourism market and could strengthen the all-season appeal of northern destinations.

A Unique Aboriginal Heritage

With their close relationship to the land and their unique cultural history, Aboriginal communities are especially well positioned to create this “dual track” tourism experience. Organizations such as the Northern Ontario Native Tourism Association (NONTA) are helping strengthen the Aboriginal tourism sector. Successful native tourism initiatives include the Kay-Nah-Chi-Wah-Nung Historical Centre, the Temagami Anishnabai Tipi Camp, the Cree Eco-Lodge in Moose Factory and the Eagle’s Earth Cree and Ojibway Historical Centre.

Resource-Based Tourism

Resource-based tourism is an established industry based on a product with indisputable strengths. The North’s fishing, hunting, boating, snowmobiling and general ‘near wilderness’ experience are difficult to match anywhere in the world. This sector already enjoys a high level of return visitors who could help expand the market through word-of-mouth advertising. An increase in visitors, however, will need to be balanced against its impact on tranquillity and solitude to ensure the continued success of the North’s resource-based tourism industry. Impact of resource development in remote locations must also be considered for this tourism sector.

Tourism Marketing

The Ontario Tourism Marketing Partnership Corporation (OTMPC), a provincial agency of Ontario, has a Northern Office in Sault Ste. Marie that is responsible for overseeing the development and implementation of tourism marketing plans for Northern Ontario. OTMPC is currently working with provincial and federal government partners to develop a new five-year tourism marketing strategy for Northern Ontario. Broad tourism industry consultations are being undertaken to ensure the strategy is representative of, and supported by, tourism industry stakeholders. The objective of the new strategy is to align marketing efforts across Northern Ontario to more effectively reach the consumer and increase tourism revenues. The new strategy is expected to be completed in winter 2008.

Northern Coastline and Waterways

Northern Ontario has an unparalleled network of lakes and rivers that can serve as a tremendous draw for water enthusiasts interested in swimming, kayaking, canoeing, water-skiing and recreational boating. The development of port/marine facilities and waterways may increase the number of boaters and anglers visiting the region.

The province has designated 2,900 kilometres of Ontario shoreline as the *Great Lakes Heritage Coast*. The area includes the Ontario coast of Lake Superior, the north shore of the St. Mary's River, and the coast of Lake Huron from Sault Ste. Marie to Port Severn on Georgian Bay. The *Great Lakes Heritage Coast* initiative has been launched to protect and enhance the natural and historic value of this coastline and identify development opportunities for the communities of this area including ports of call, marine facilities and the cruise ship industry.

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